

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 571 - HB 812

March 23, 2015

SUMMARY OF BILL: Includes nursing facility services with home- and community-based services that the Commissioner of Finance and Administration must implement policies and process to expedite the determination of Medicaid categorical and financial eligibility and medical eligibility. Authorizes the inclusion of a review of applicable court orders affecting the programs to determine appropriate compliance within the policies and procedures.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$269,700

Increase Federal Expenditures - \$501,700

Assumptions:

- The provisions of the bill require the Bureau of TennCare to have a similar eligibility determination process for nursing facility eligibility as it has for home- and community-based services (HCBS).
- Currently, the Bureau of TennCare has 48 eligibility specialists who complete eligibility determinations for 27 HCBS cases per month per specialist. TennCare will create an additional unit to work on eligibility determinations for nursing facility applications.
- It is estimated that the Bureau will need to hire 10 eligibility specialists and one Program Manager 1 position for this created unit.
- The estimated increase in expenditures for salaries and benefits is \$771,428 [(\$67,672 x 10 eligibility specialists) + \$94,708 program manager 1].
- These expenditures will receive a federal match of 65.035 percent; therefore, 34.965 percent will be state funds.
- The increase in state expenditures is estimated to be \$269,730 (\$771,428 x 0.34965).
- The increase in federal expenditures is estimated to be \$501,698 (\$771,428 x 0.65035).
- Currently, the state has 45 days to make an eligibility determination for most Medicaid categories and 90 days to make an eligibility determination for eligibility categories related to a disability. The determination of financial and medical eligibility for nursing facilities and HCBS programs and services falls under categories related to disability and are required to be determined within 90 days pursuant to federal regulations.
- Currently, Tenn. Code Ann. § 71-5-1406 requires the Commissioner of Finance and Administration to *implement policies and processes that expedite the determination of Medicaid categorical and financial eligibility and medical eligibility for home and community-based programs and services.*

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- It is assumed adding nursing facility services to this language does not mandate a more expedited determination process than that process that is currently being administered by the Bureau of TennCare.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

/kml